

MISSISSIPPI DIVISION OF  
MEDICAID

# Office of the Governor Division of Medicaid

Robert L. Robinson, Executive Director

LBO  
Budget  
Presentation  
SFY 2011



***DIVISION OF MEDICAID***  
**Summary of Direct State Funding**  
**FY 2011**

**Requested Funds Breakdown:**

**FY2010 Appropriation:**

General Funds	\$258,260,500
HCEF (Tobacco Funds)	\$7,209,899
Budget Contingency Funds	\$185,797,164
	<hr/>

<b>FY 2011 Beginning Balance of Direct State Appropriated Funds - Medicaid</b>	<b>\$451,267,563</b>
--	----------------------

add: Replace ARRA Funds due to half year of ARRA in FY 2011	\$115,126,641
--	---------------

Projected Increase Due to Growth in Medical Service Expenditures	\$70,862,050
---	--------------

Projected Part A and Part B Premium Increases	\$14,479,413
---	--------------

Projected Increase for New MMIS System	\$4,500,000
less: Kidney Dialysis Program Funds	(\$3,100,000)
	<hr/>

<b><i>Additional Direct State Funds Requested - Medicaid Program</i></b>	<b><u>\$201,868,104</u></b>
--	-----------------------------

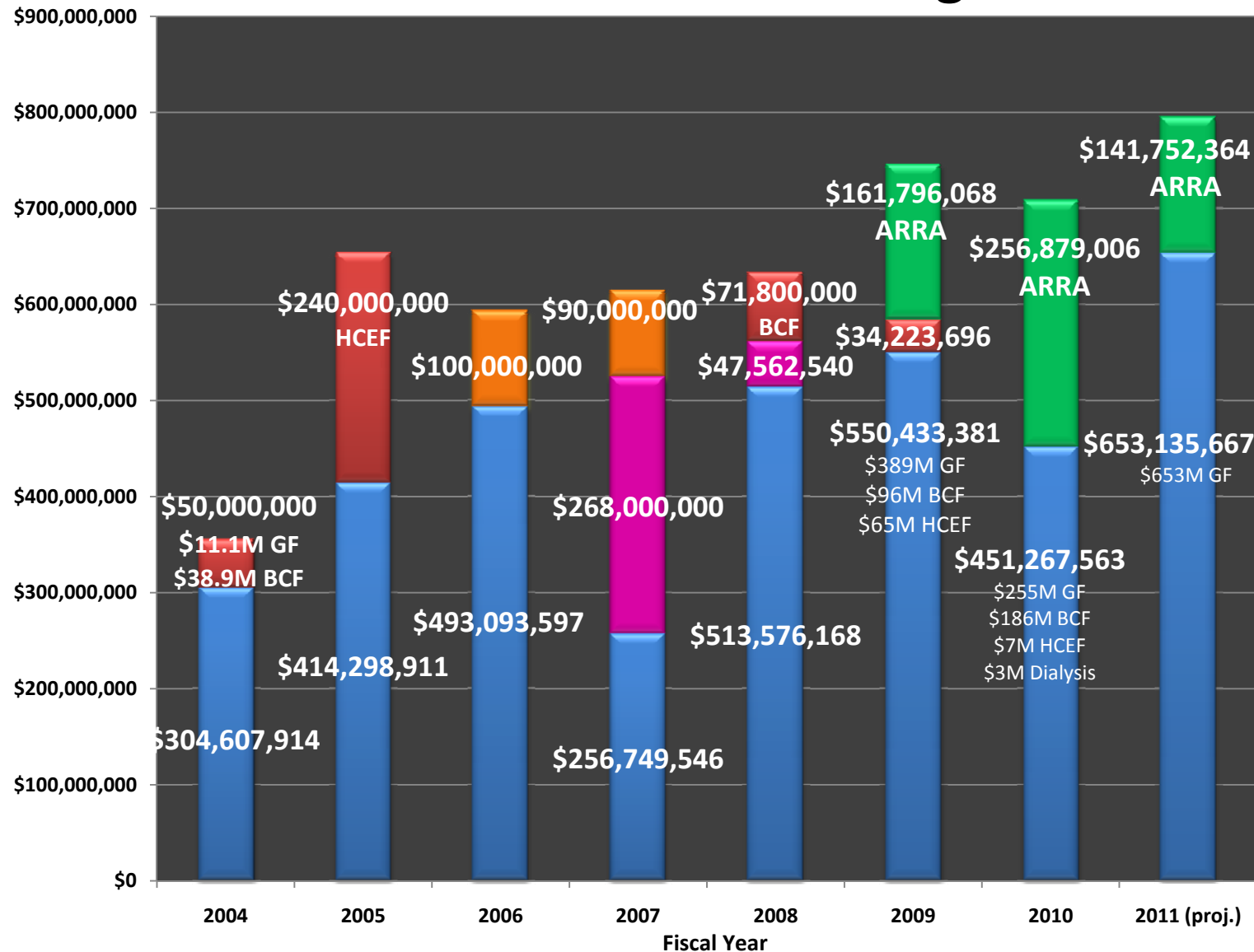
<b>TOTAL FY 2011 STATE FUNDS REQUESTED</b>	<b><u>\$653,135,667</u></b>
--	-----------------------------

# Direct State Funding

## Total Direct State Funding

2004	\$355M
2005	\$654M
2006	\$593M
2007	\$615M
2008	\$633M
2009	\$746M
2010	\$708M
2011	\$795M

- ARRA Stimulus Funds
- Additional Katrina Funding
- Deficit Appropriation
- Budgeted Katrina Funds
- General, Tobacco & Budget Contingency Funds



Note: ARRA and Katrina funds were used in place of direct state funding from FY-06 to FY-11.

# DIVISION OF MEDICAID

## PROJECTED IMPACT OF ECONOMIC STIMULUS PACKAGE - ENHANCED FMAP RATE

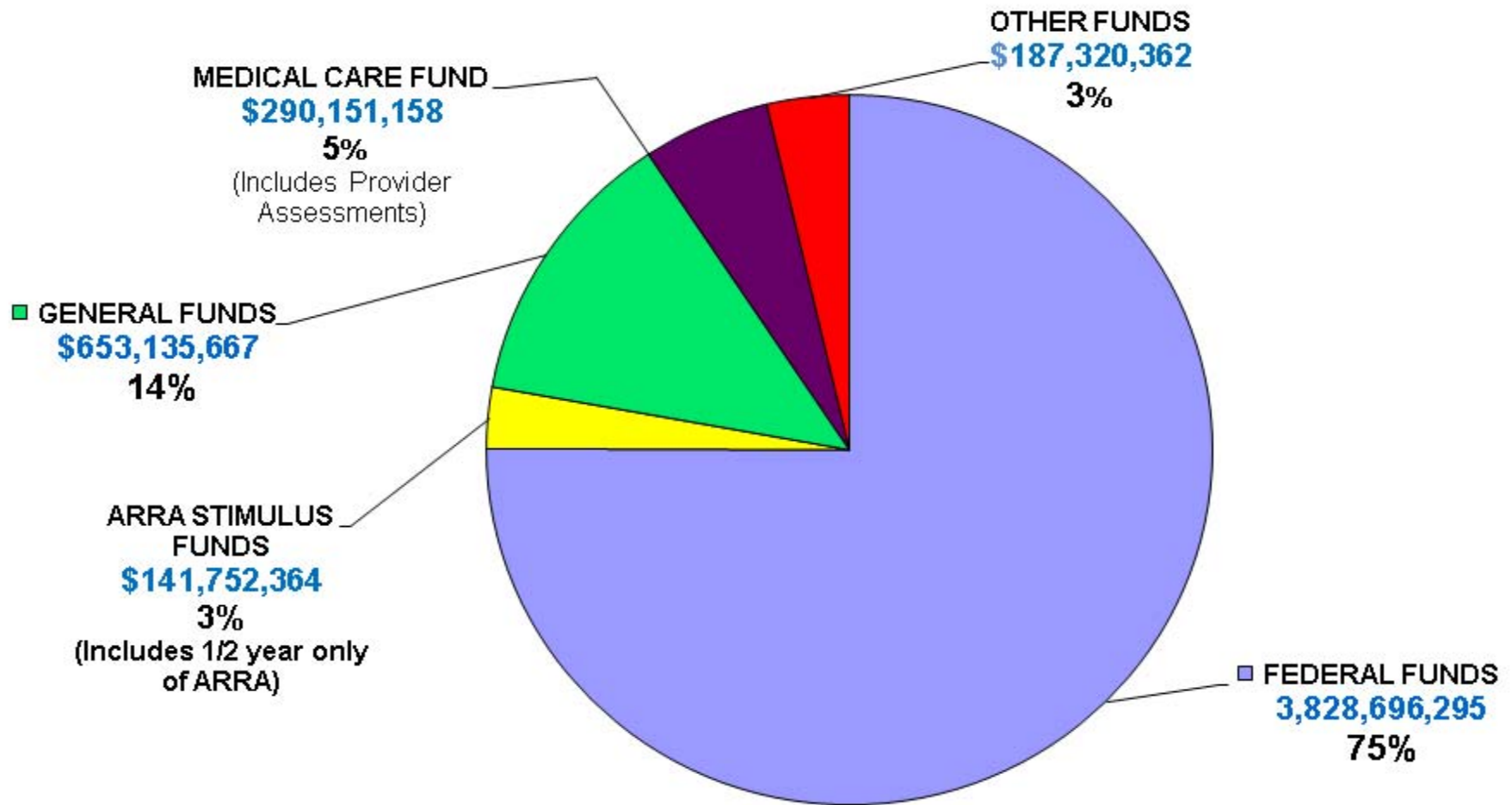
### 2009 to 2011

DRAFT OF ESTIMATED ARRA REFUNDS AND SAVINGS

		2009	2010	2011	TOTAL
SFY - ESTIMATED REFUND + SAVINGS	10/1/08 to 6/30/09 YTD & Projected SFYs 2010-2011 FMAP Increase (6.2% + diff. using FFY-08 76.29% FMAP rate)	\$131,733,946	\$204,160,116	\$112,516,461	\$448,410,523
SFY - ESTIMATED REFUND + SAVINGS - UNEMPLOYMENT INCREASE COMPONENT TIER I (Unemployment rate increased 1.5% to 2.4% over 6.0%)	10/1/08 to 3/31/09 YTD & Projected SFYs 2010-2011 FMAP Increase (Tier I = 1.13%)	\$22,384,866	\$34,039,237	\$18,878,040	\$75,302,144
SFY - ESTIMATED REFUND + SAVINGS - UNEMPLOYMENT INCREASE COMPONENT TIER II (Unemployment rate increased 2.5% to 3.4% over 6.0%)	4/1/09 to 6/30/09 YTD & Projected SFYs 2010-2011 FMAP Increase - Additional .62% (Tier II = 1.75%)	\$4,338,245	\$18,676,396	\$10,357,863	\$33,372,503
SFY - TOTAL ESTIMATED MEDICAID REFUND + SAVINGS	10/1/08 to 6/30/09 YTD & Projected SFYs 2010-2011 FMAP Increase (6.2% + diff. using FFY-08 76.29% FMAP rate + 1.13% & 1.75% unemployment adjs.)	\$158,457,057	\$256,875,749	\$141,752,364	\$557,085,170
SFY - ESTIMATED REFUNDS + SAVINGS - OTHER STATE AGENCIES	Projected 10/1/08 to 6/30/09 YTD & SFYs 2010-2011 FMAP Increase (6.2% + diff. using FFY-08 76.29% FMAP rate + 1.13% & 1.75% unemployment adjs.)	\$37,407,519	\$57,670,829	\$32,640,455	\$127,718,803
SFY - ESTIMATED MS HOSPITAL SAVINGS FOR UPL - ENHANCED FMAP = LOWER GRAs TO FUND STATE SHARE		\$23,434,535	\$26,949,715	\$15,496,086	\$65,880,335
SFY - INCREASE IN THE FEDERAL DSH ALLOTMENT - MS HOSPITALS		\$3,734,713	\$3,819,500		\$7,554,213
ESTIMATED TOTAL POTENTIAL STATE SAVINGS		\$223,033,824	\$345,315,792	\$189,888,906	\$758,238,521

Represents potential refunds or savings from the federal enhanced match that will come directly to DOM.

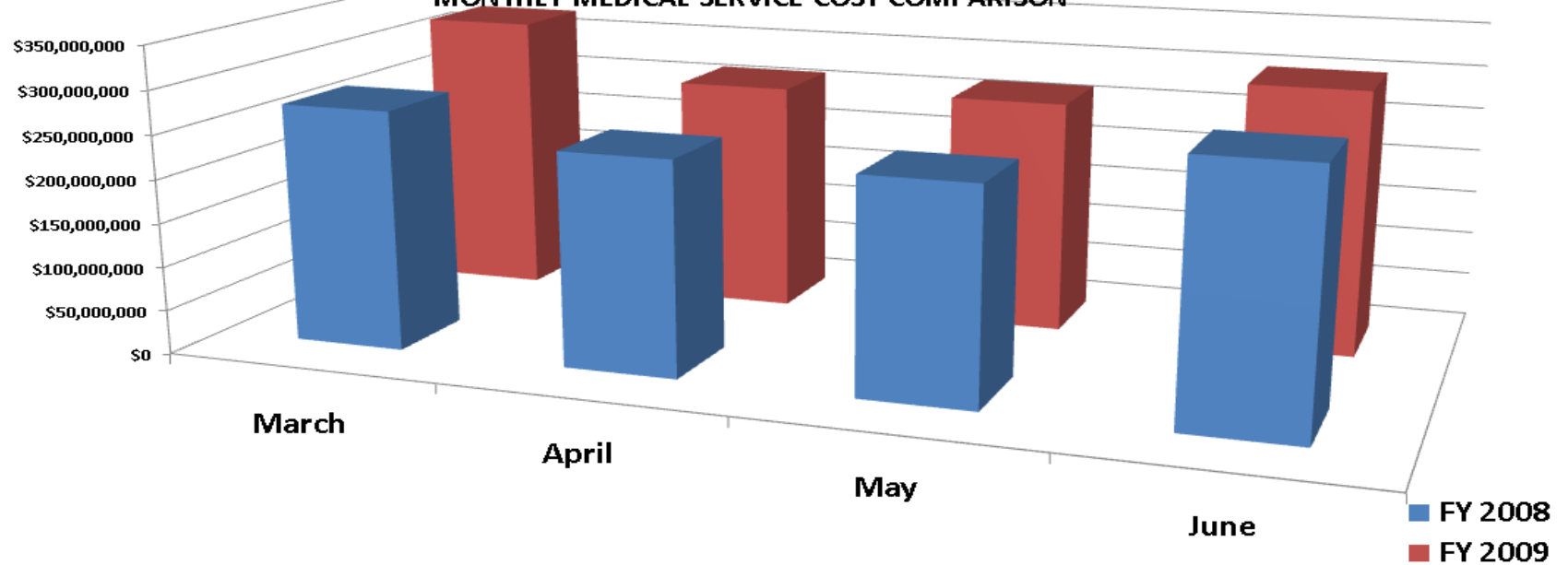
# "Medicaid FY2011 Funding Sources"



The Medical Care Fund includes funds from other sources including \$70,750,000 of hospital provider taxes to fund medical service costs. \$56,750,000 of this tax is contingent on the new DSH/UPL funding and tax models being approved by CMS.

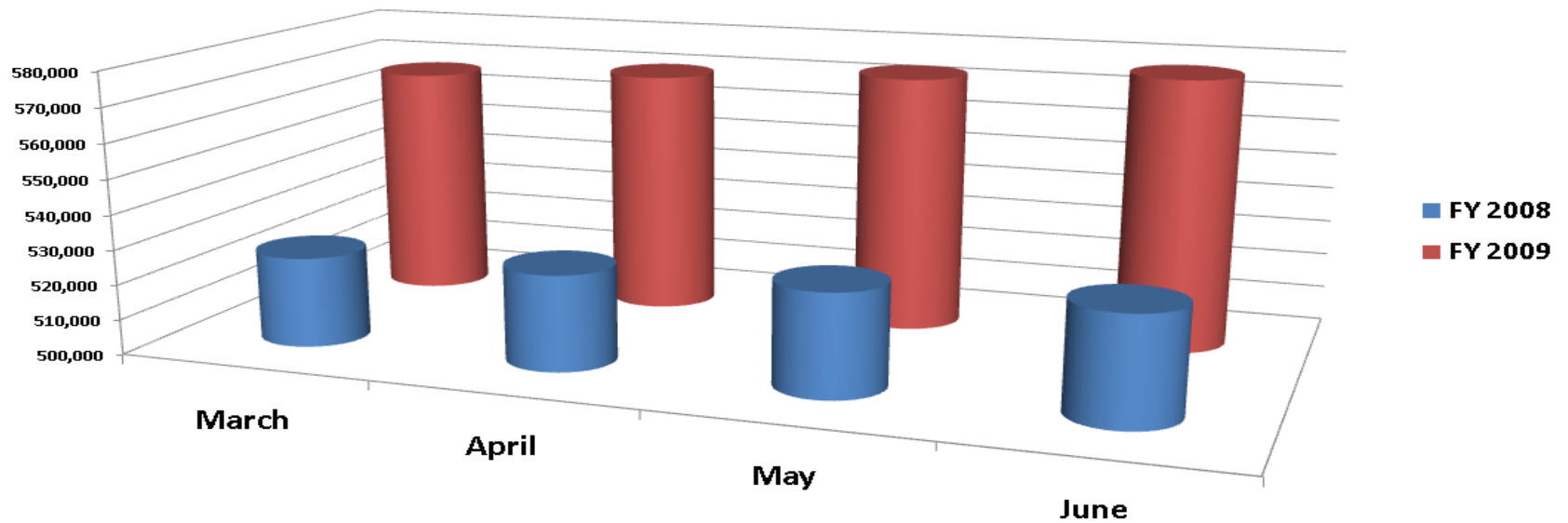
**CHART 1**

**DIVISION OF MEDICAID  
MONTHLY MEDICAL SERVICE COST COMPARISON**

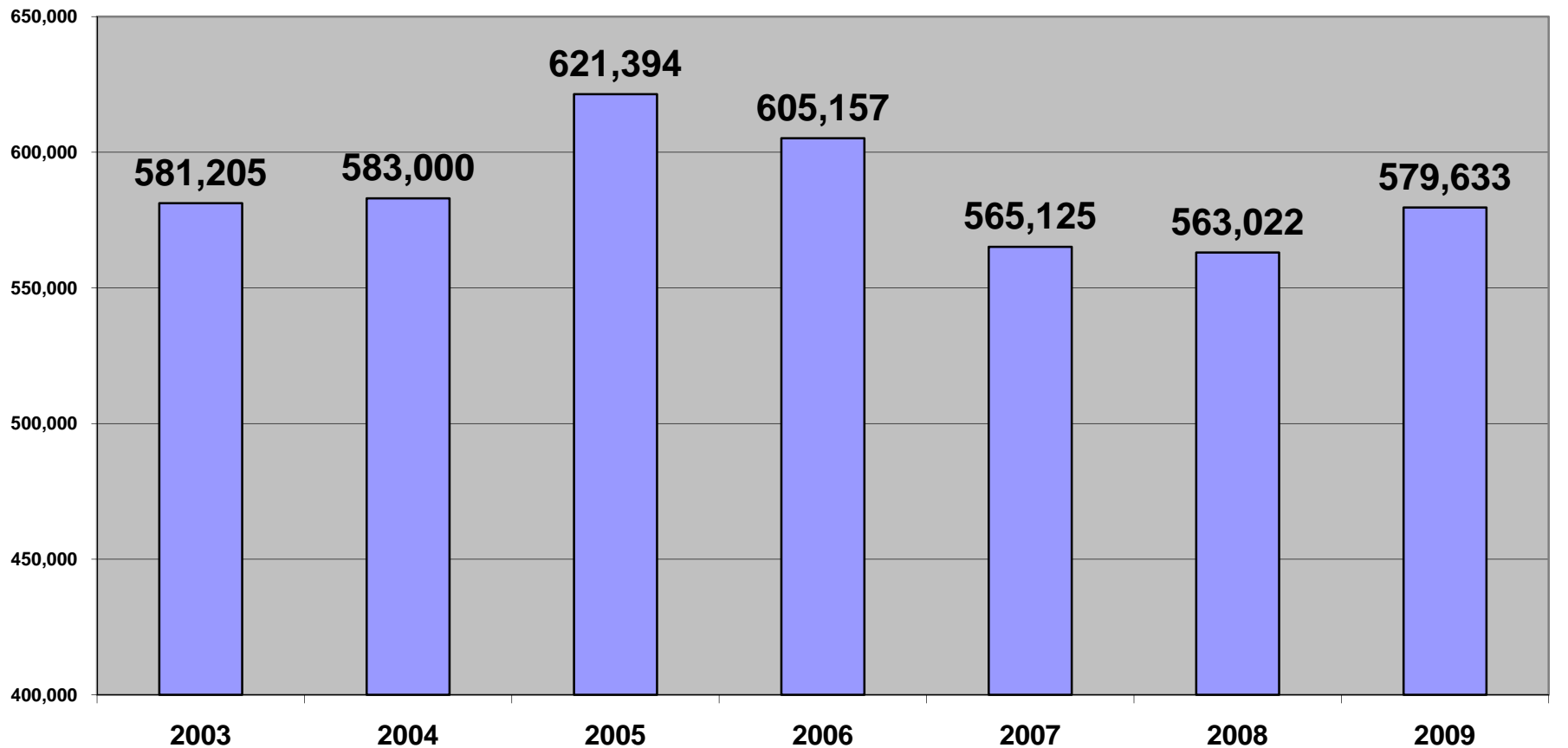


**CHART 2**

**DIVISION OF MEDICAID  
MONTHLY BENEFICIARY COMPARISON**



# ***Medicaid Beneficiaries***



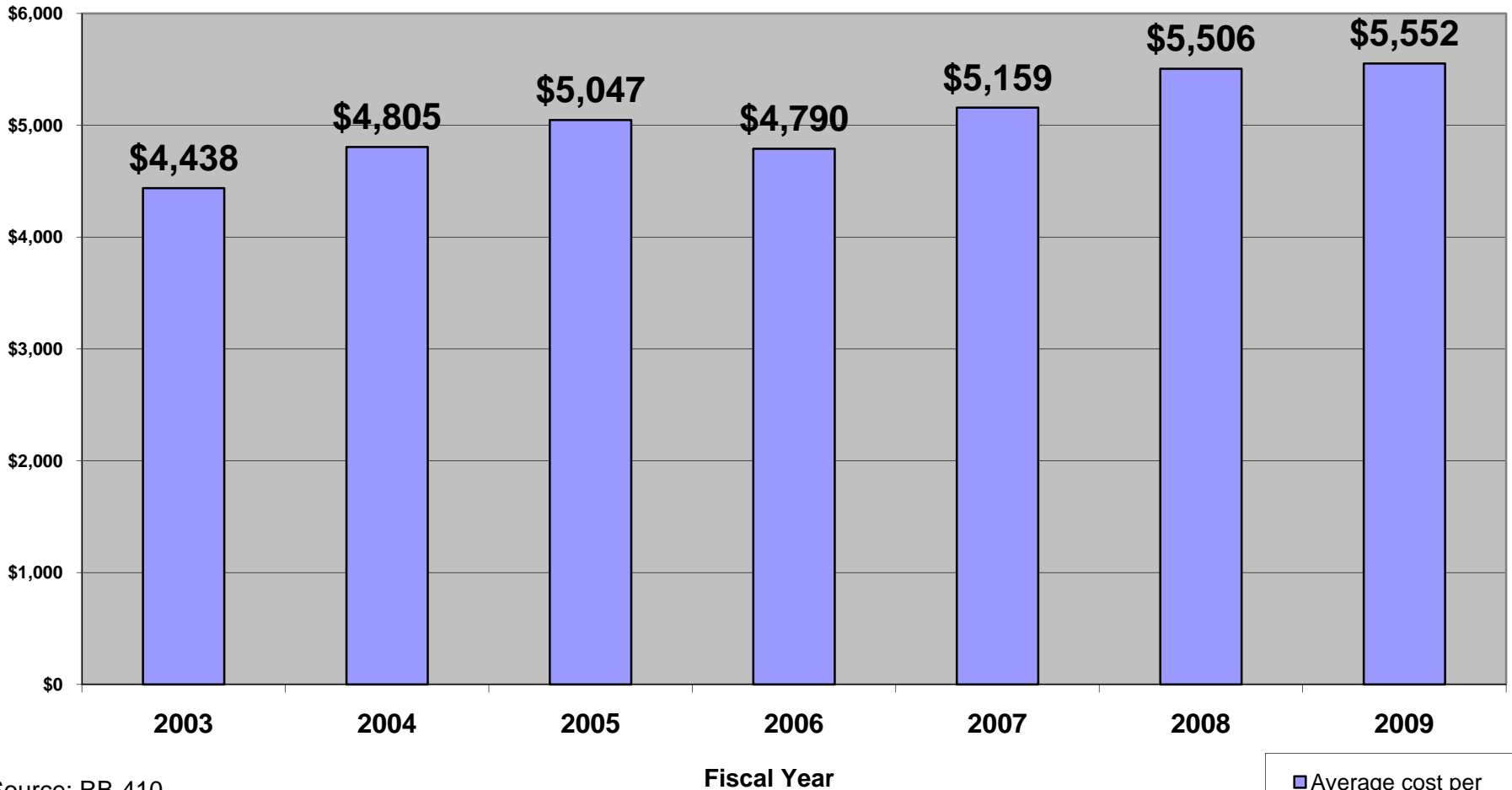
Source: RB-410

Fiscal Year

■ Medicaid Beneficiaries  
(Monthly Averages)

There are 605,289 total medicaid beneficiaries currently in the program as of August 31, 2009.

# Average Cost per Medicaid Beneficiary

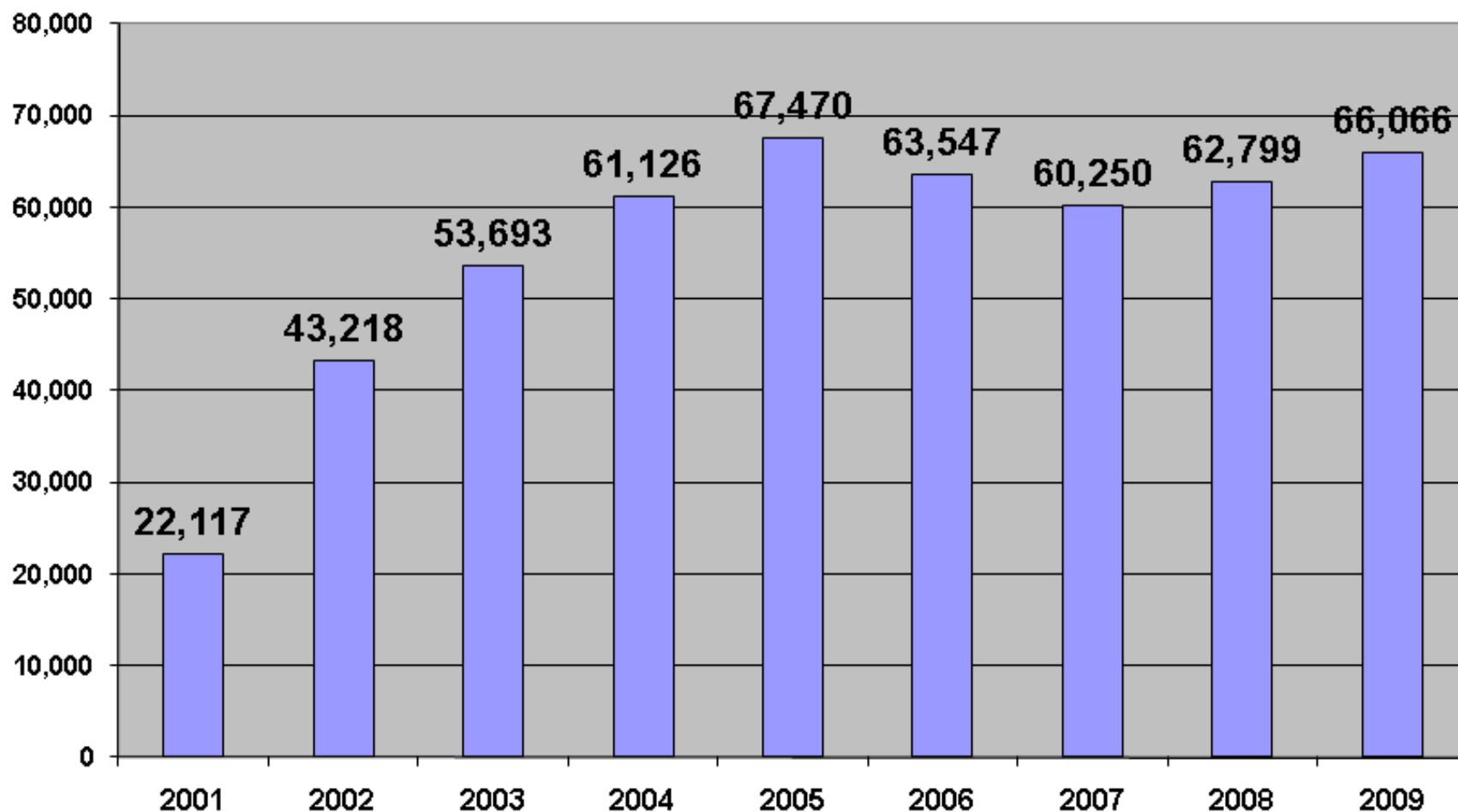


Source: RB-410

**Note:** FY09 medical service expenditures included \$80 million of retro-rate reprocessing of hospital outpatient claims from FY04 to FY07, which resulted in understating the cost per beneficiary by \$138. The actual cost per beneficiary would have been \$5,690.



## ***CHIP Beneficiaries***

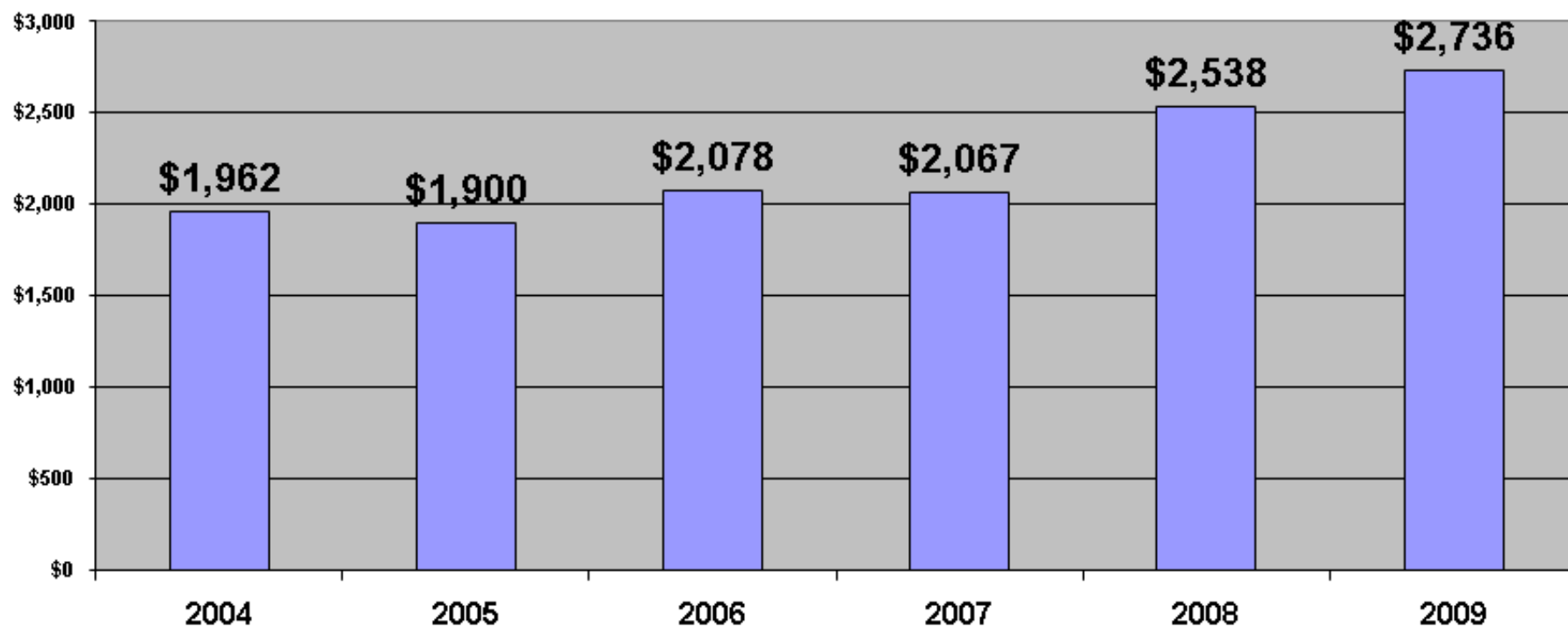


Source: Blue Cross Blue Shield of MS

Note: The average cost for a CHIP beneficiary was \$2,736 in FY09. A comparable Medicaid child cost \$2,350.

■ CHIP Beneficiaries - Monthly Averages per FY

## Average Cost of CHIP Beneficiaries

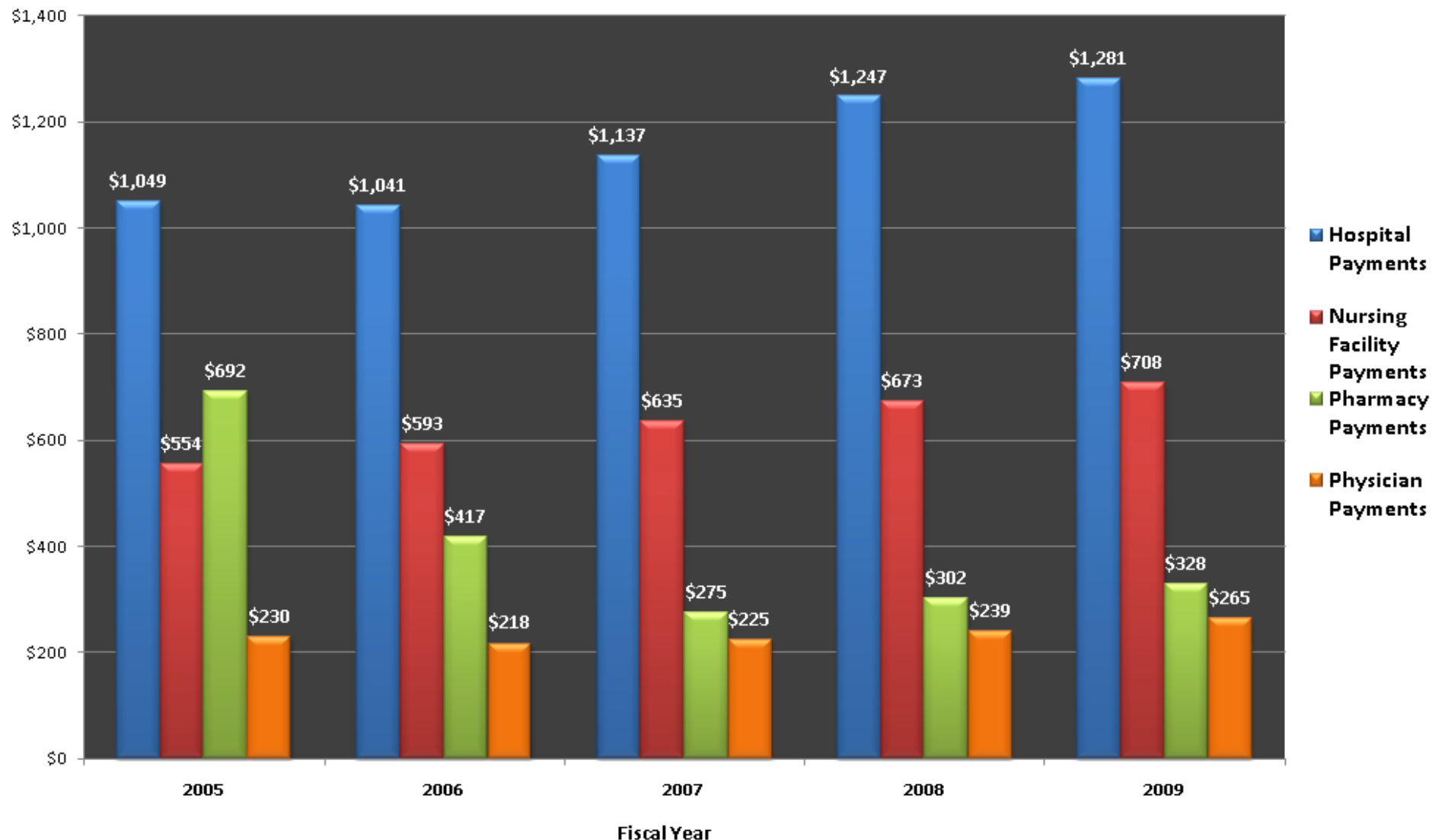


Source: RB-410 and Blue Cross Blue Shield

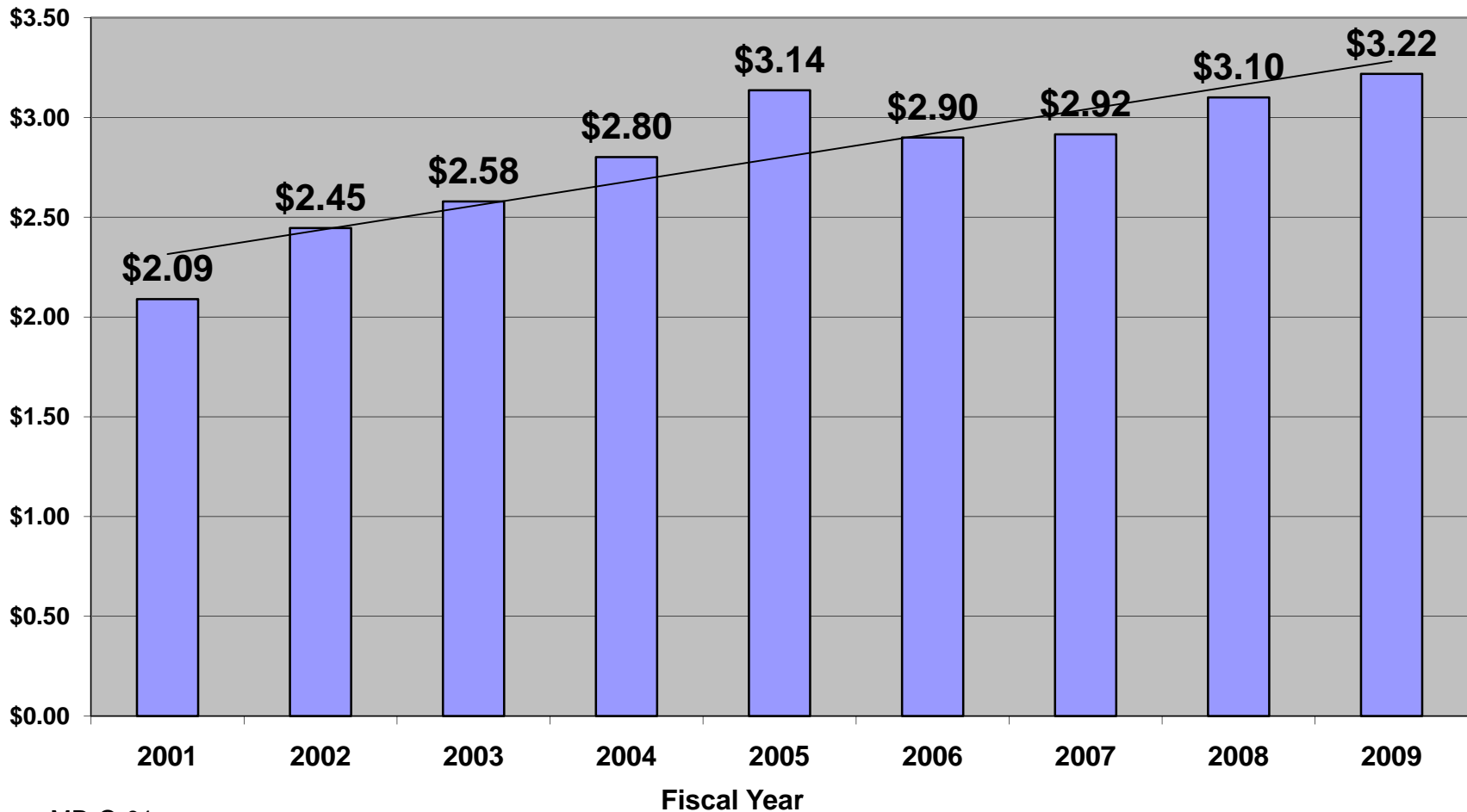
Note: The average cost for a comparable Medicaid child is \$2,350 per year.

■ Ave cost per CHIP Beneficiary

# Major Medicaid Provider Payments (Millions)



# Medical Service Claims Payments - "Total Program" (Billions)

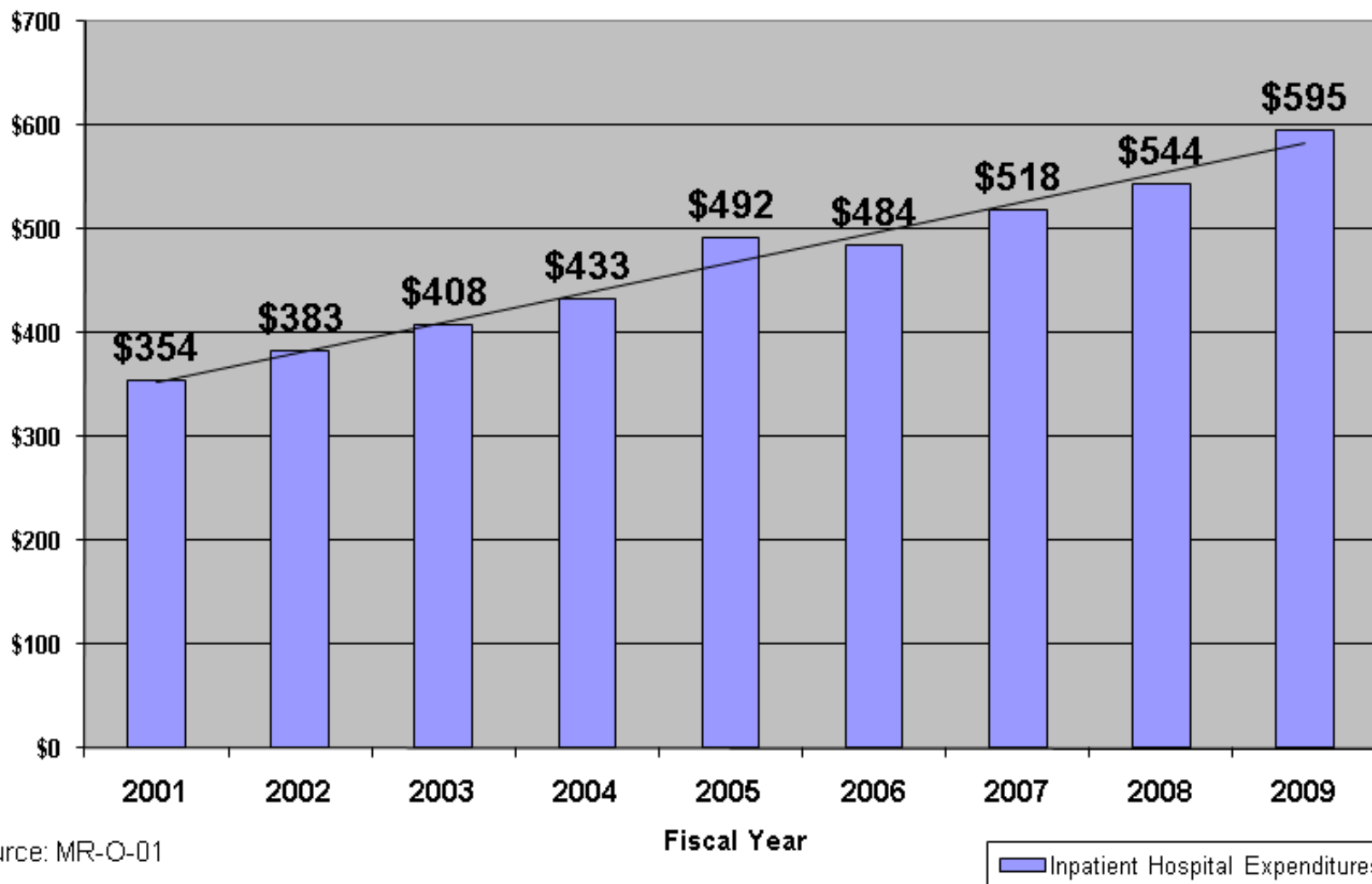


Source: MR-O-01

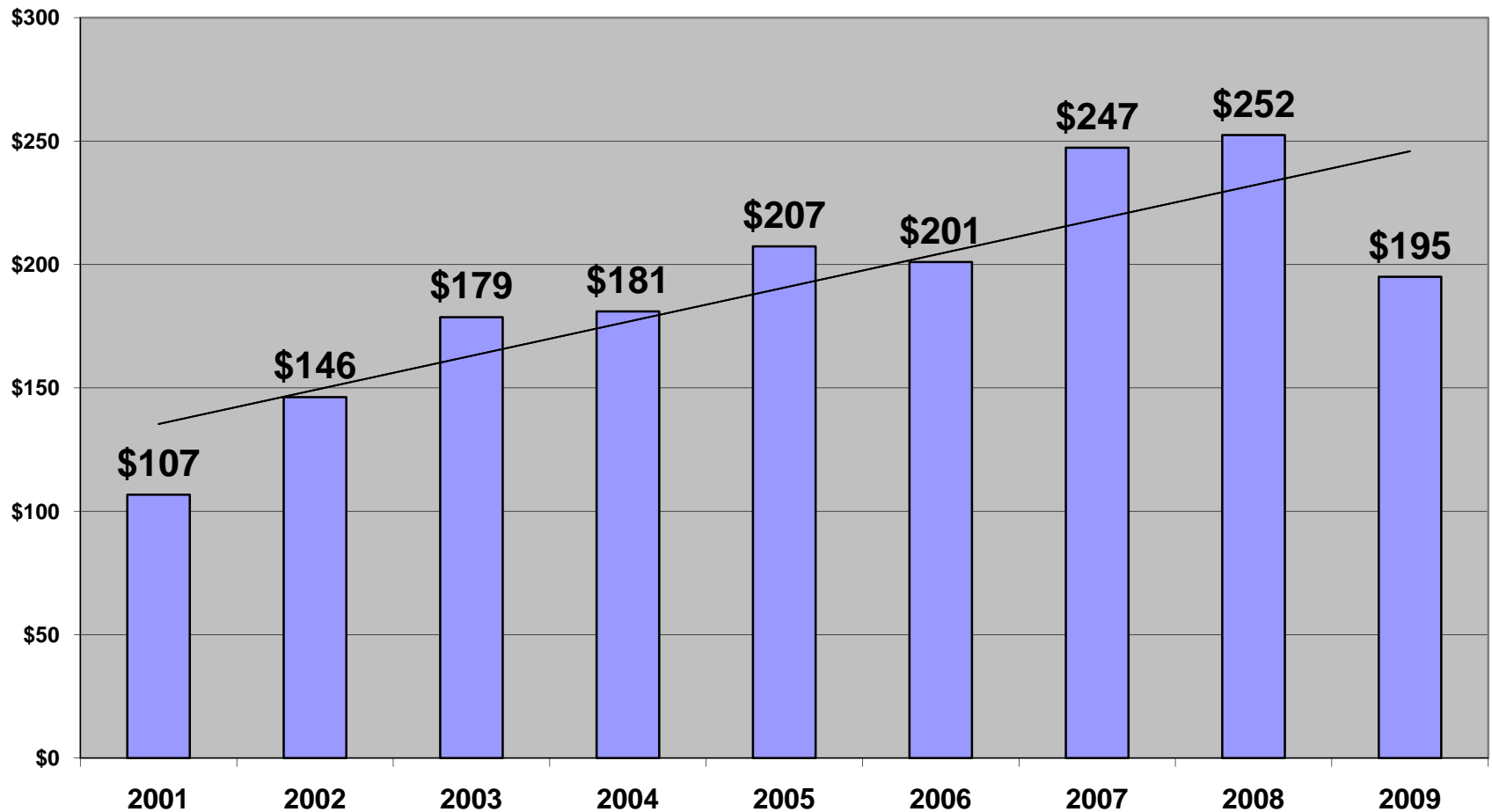
Note: FY 2009 is understated due to approximately \$80M of outpatient recoupments from FY-04 to FY-07 processed during FY 2009. Actual claims payments would have been \$3.3 billion for FY2009.

Medical Claims Payments

# Inpatient Hospital Expenditures (Millions)



# Outpatient Hospital Expenditures (Millions)



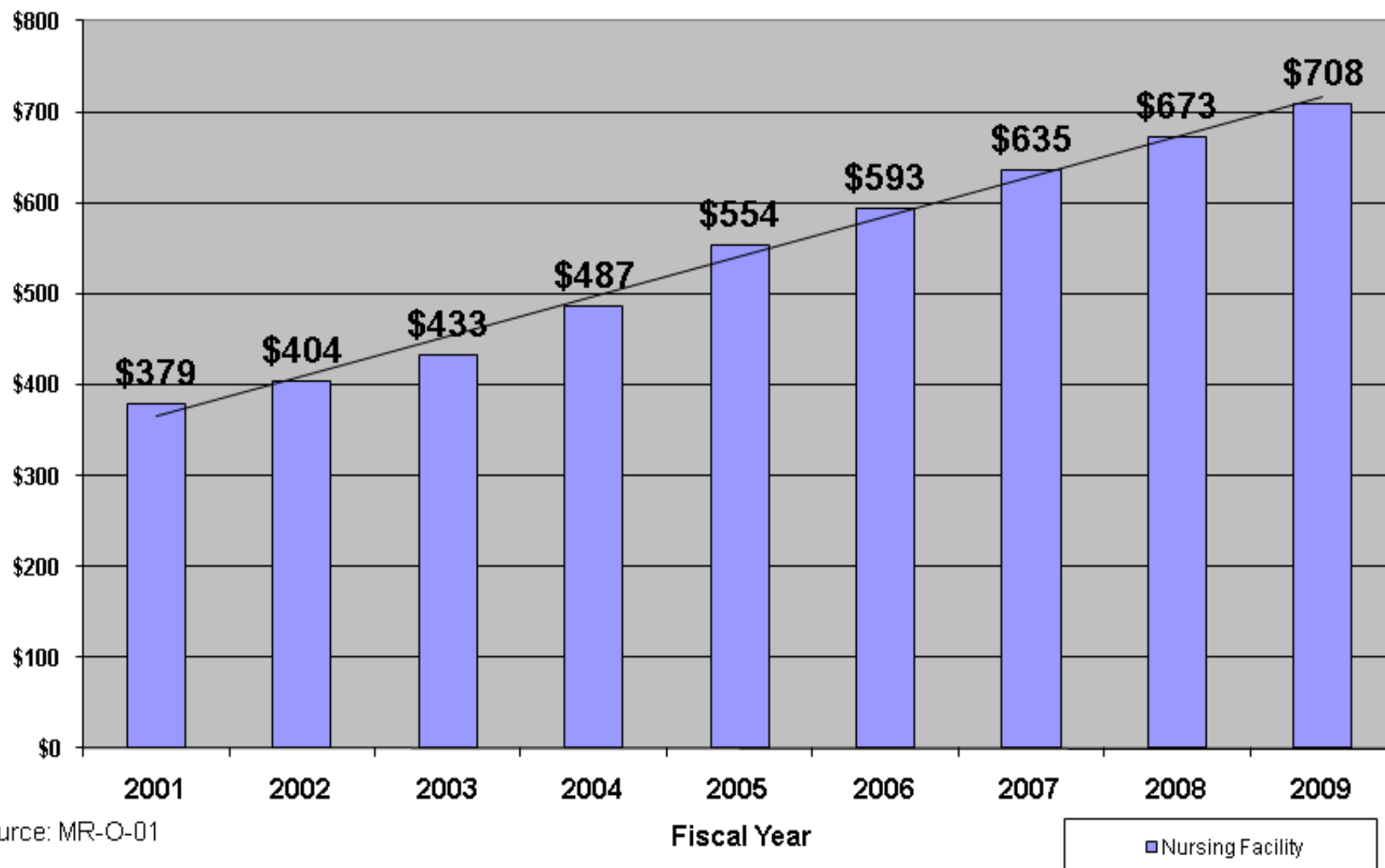
Source: MR-O-01

Fiscal Year

**Note: FY 2009 is understated due to approximately \$80M of outpatient recoupments from FY-04 to FY-07 processed during FY 2009. Actual outpatient expenditures would have been \$275M in FY 2009.**

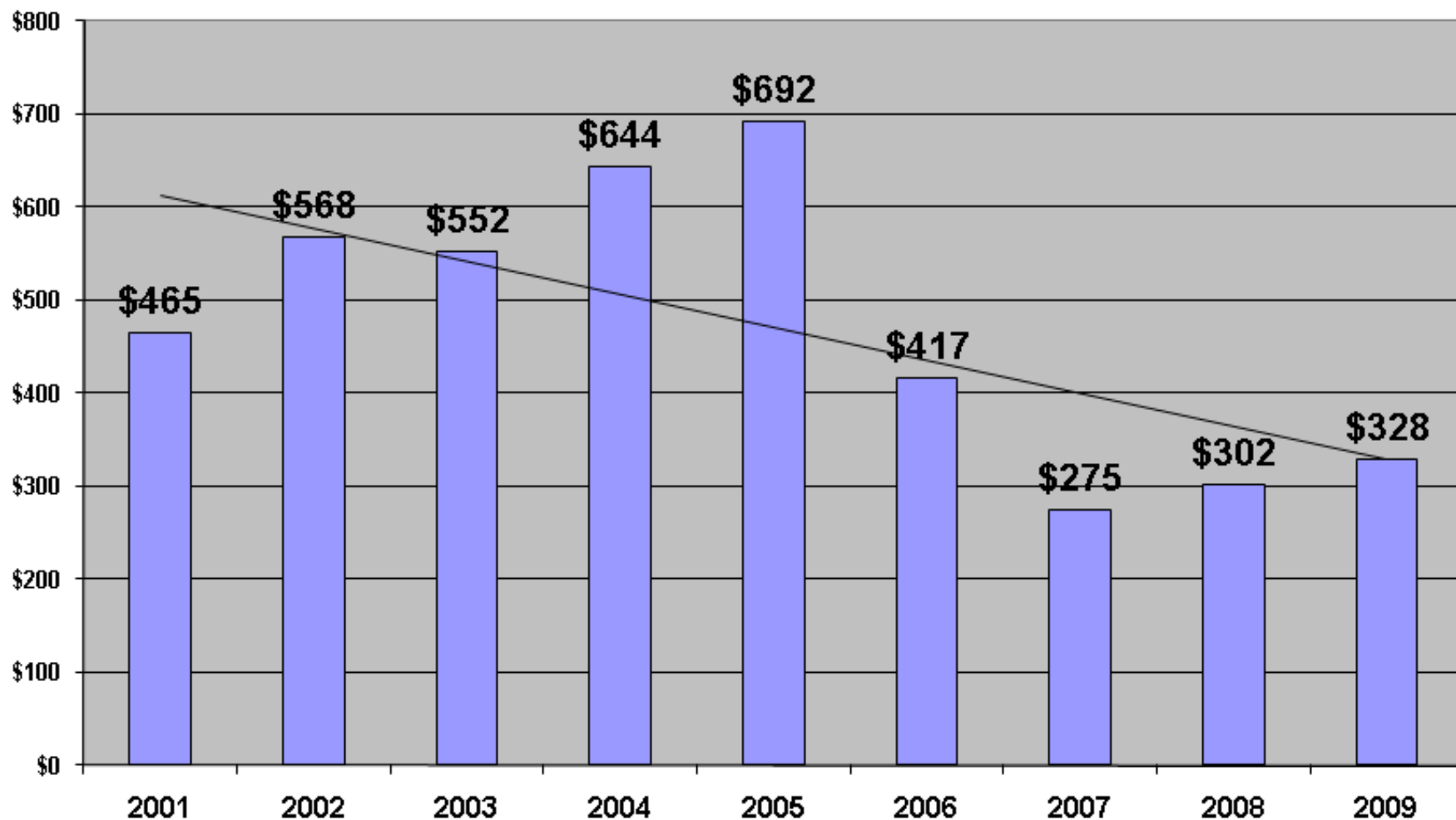
■ Outpatient Hospital Expenditures

# Nursing Facility Expenditures (Millions)



Source: MR-O-01

# Pharmacy Expenditures (Millions)



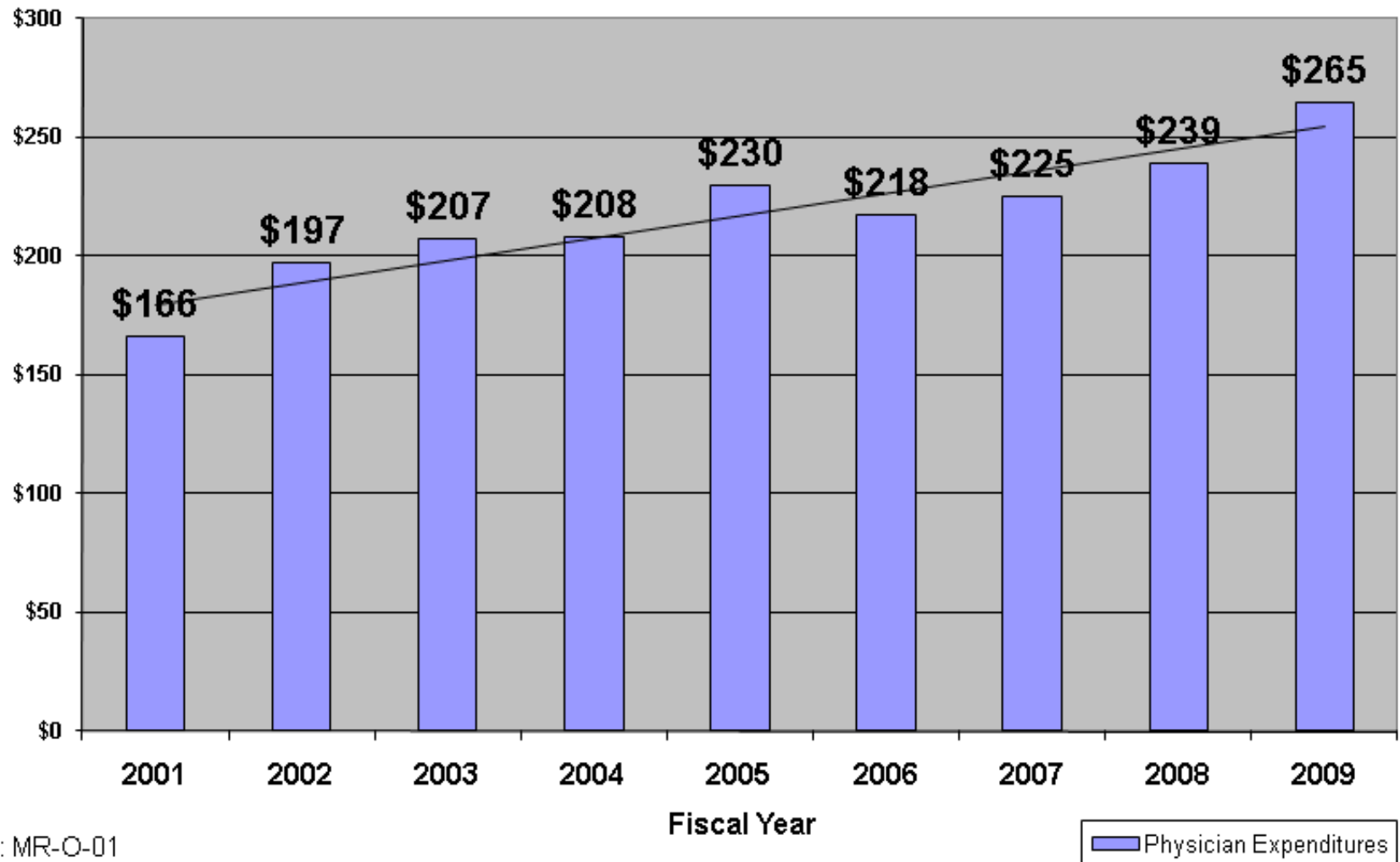
Source: MR-O-01

Fiscal Year

Pharmacy



# Physician Expenditures (Millions)



**DIVISION OF MEDICAID**  
**Medical Services Cost Comparison**  
**FY 2006 Through FY 2009**

<b>Service</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 06 to FY 07</b>	<b>FY 07 to FY 08</b>	<b>FY 08 to FY 09</b>
Nursing Facility	\$592,989,390	\$635,193,695	\$672,547,159	\$708,165,951	7.12%	5.88%	5.30%
Inpatient Hospital	\$484,099,778	\$518,135,797	\$543,940,524	\$594,643,003	7.03%	4.98%	9.32%
Prescription Drugs	\$417,293,904	\$274,757,341	\$302,060,175	\$328,342,499	-34.16%	9.94%	8.70%
ICF MR Facility	\$234,157,902	\$259,465,512	\$277,748,962	\$278,821,614	10.81%	7.05%	0.39%
Outpatient Hospi- tal	\$201,015,510	\$247,298,203	\$252,442,133	\$195,034,320	23.02%	2.08%	-22.74%
Physician	\$217,558,603	\$224,873,766	\$239,456,212	\$264,750,383	3.36%	6.48%	10.56%
Home and Comm. Based Services	\$101,568,297	\$118,468,377	\$140,976,333	\$164,621,060	16.64%	19.00%	16.77%
Mental Health Clinics	\$124,216,720	\$129,161,706	\$134,033,495	\$148,446,780	3.98%	3.77%	10.75%
Inpatient Residen- tial Psych.	\$31,346,839	\$34,183,343	\$35,911,786	\$38,324,278	9.05%	5.06%	6.72%
Hospice	\$34,041,518	\$34,076,328	\$30,683,115	\$33,228,465	0.10%	-9.96%	8.30%
ALL OTHER	\$460,687,880	\$439,608,310	\$470,220,087	\$463,867,847	-4.58%	6.96%	-1.35%
<b>TOTAL</b>	<b>\$2,898,976,341</b>	<b>\$2,915,222,378</b>	<b>\$3,100,019,981</b>	<b>\$3,218,246,200</b>	<b>0.56%</b>	<b>6.34%</b>	<b>3.81%</b>

Source: MR-O-01

Note: The true growth from FY08 to FY09 is 6.5% when FY09 costs are adjusted by adding back \$80M of hospital outpatient recoupments and \$60M of Part A crossover claim reductions. These FY09 adjustments represented unusual transactions that included 4 years of retro-rate reprocessing of hospital outpatient claims and implementing lower-of-logic for Part A crossover claims.

# FY 2010 & FY 2011 Budgeted Expenditures Comparison (Billions)

